

ADOPTION OF ALTERNATIVE PAYMENT METHODS IN MASSACHUSETTS

2012-2013

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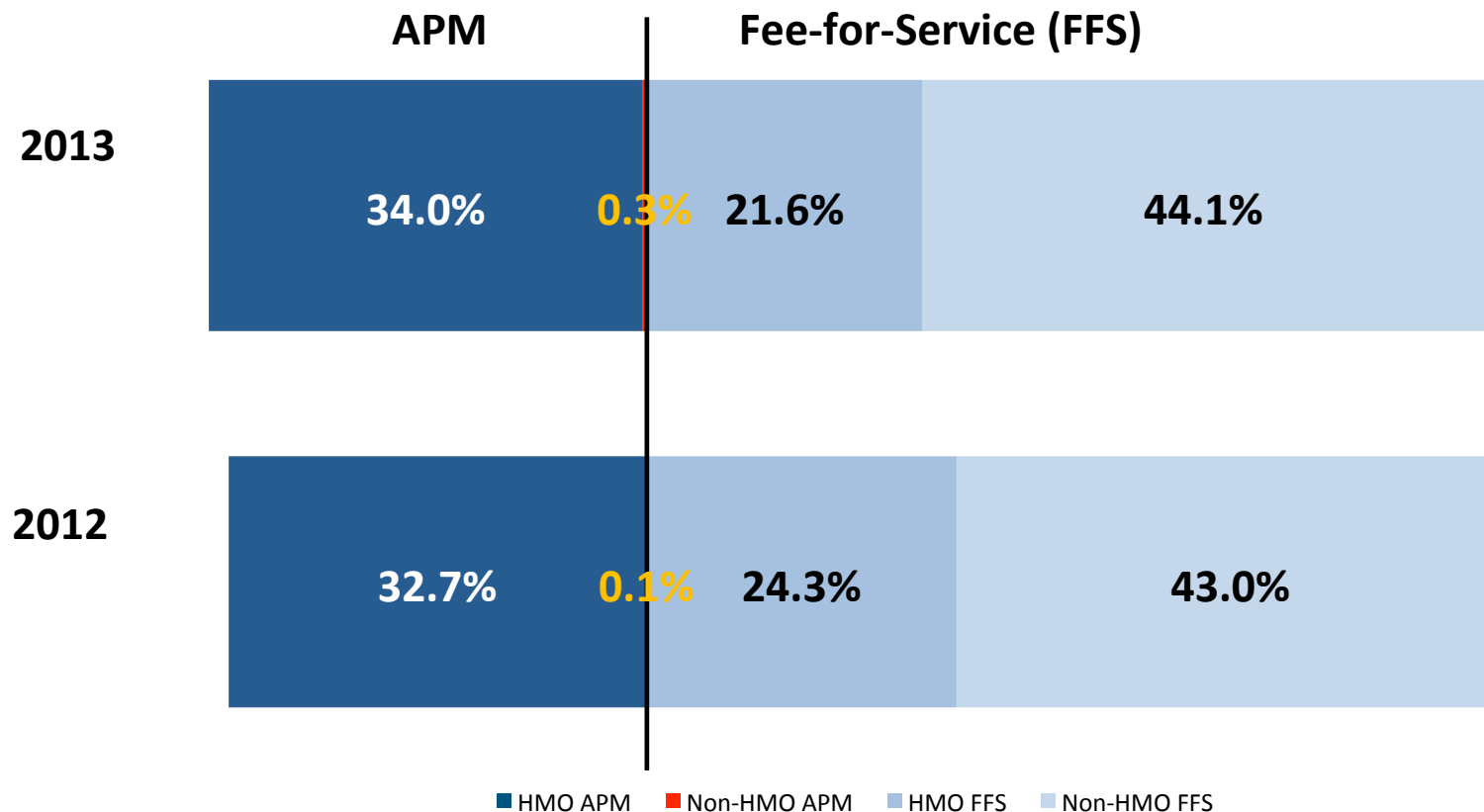
List of Figures

- (1) Adoption of Alternative Payment Methods in the Commercial Market, 2012-2013
- (2) Adoption of Alternative Payment Methods by Commercial Payer, 2013
- (3) Adoption of Alternative Payment Methods in the MassHealth MCO Market, 2012-2013
- (4) Adoption of Alternative Payment Methods among MassHealth MCO Plans, 2013
- (5) Adoption of Alternative Payment Methods in the Commonwealth Care Market, 2012-2013
- (6) Adoption of Alternative Payment Methods among Commonwealth Care Plans, 2013
- (7) Adoption of Alternative Payment Methods in the Medicare Advantage Market, 2012-2013
- (8) Adoption of Alternative Payment Methods among Medicare Advantage Plans, 2013
- (9) Adoption of Alternative Payment Methods across Insurance Categories by Payer, 2013

Note: The numbers presented in this chart book reflect data updated by certain payers since the publication of CHIA's Annual Report on the Performance of the Massachusetts Health Care System in September 2014. All data is based on the calendar years (CY) indicated.

Adoption of alternative payment methods (APMs) in the commercial market remained stable between 2012 and 2013

Figure 1. Adoption of APMs in the Commercial Market, 2012-2013



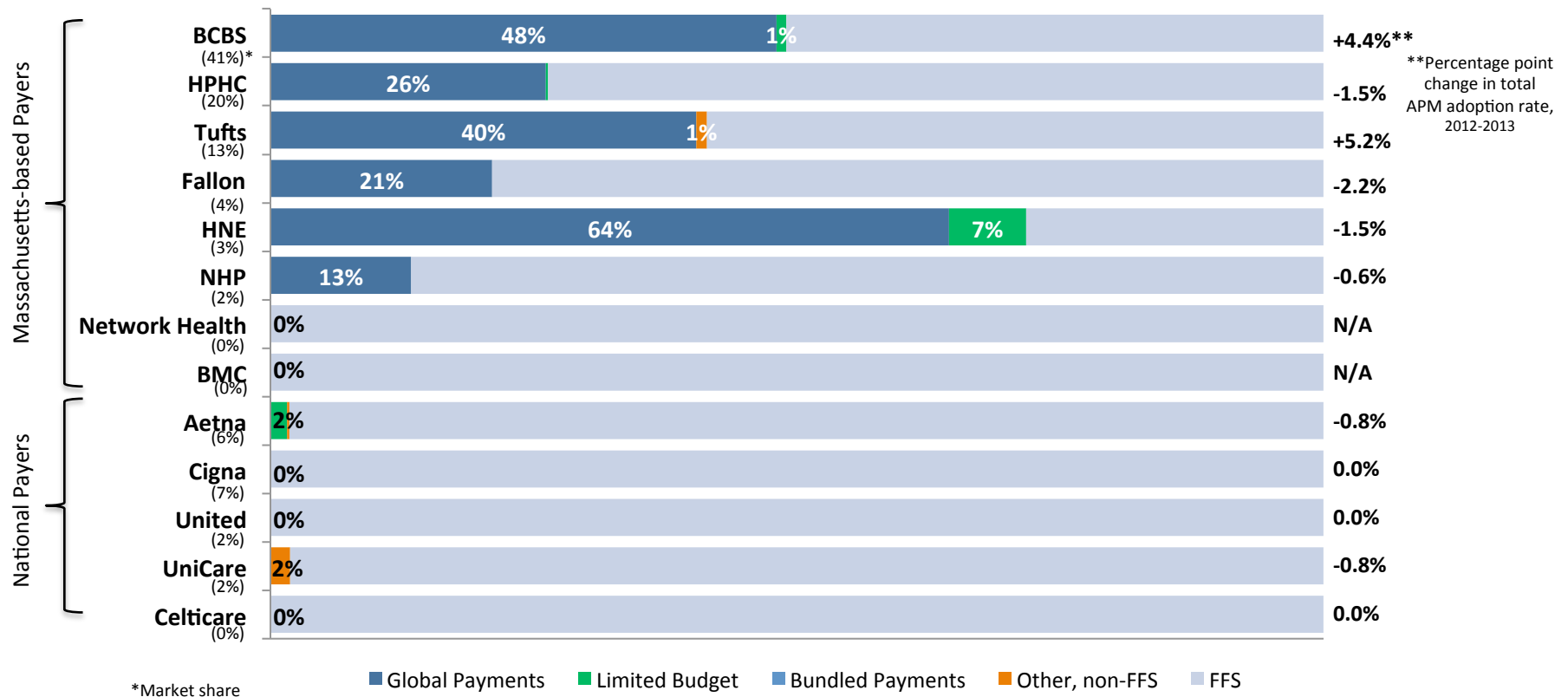
Source: Payer-reported APM data to CHIA, CYs 2012 and 2013

APM data published in CHIA's 2014 Annual Report showed a slight decrease in the APM adoption rate in the commercial market from 2012 to 2013, from 35.2% in 2012 to 34.3% in 2013. The numbers presented in this chart book reflect data updated by certain payers since the publication of the Annual Report in September 2014.

Notes: APM adoption rates shown by payer-reported member months for both commercial full- and partial-claim members. APM use among PPO and other products was reported for 0.33% of commercial member months in 2013 and 0.07% in 2012. Proportions may not sum to 100% due to rounding.

Health New England (HNE) had the highest APM adoption rate in the commercial market

Figure 2. Adoption of APMs by Commercial Payer, 2013

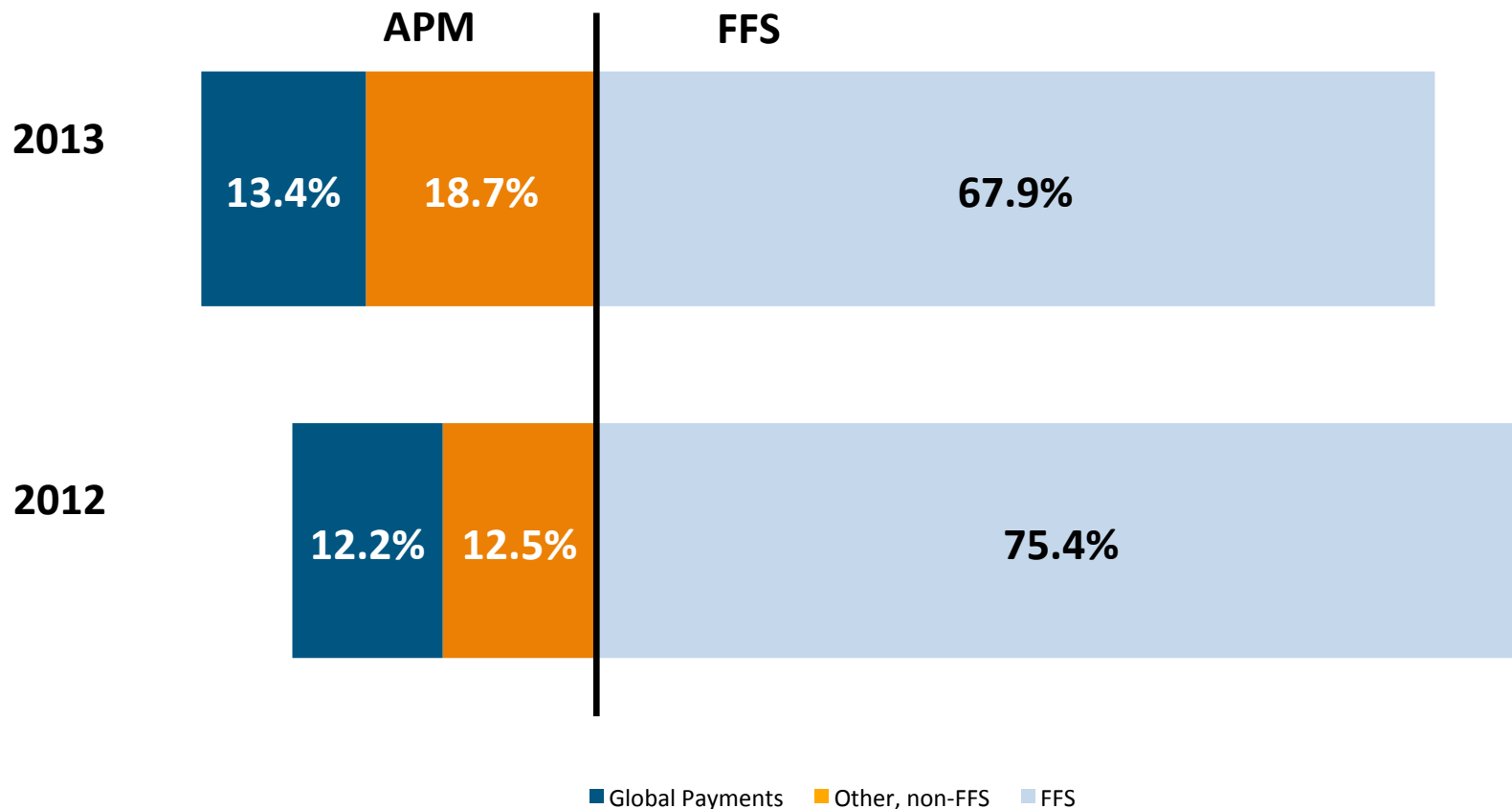


Source: Payer-reported APM data to CHIA, CYs 2012 and 2013

Notes: APM adoption rates shown by payer-reported member months for both commercial full- and partial-claim members. BMC HealthNet and Network Health did not report commercial business in 2012 so a year-to-year comparison cannot be made. The numbers presented in this chart book reflect data updated by certain payers since the publication of CHIA's Annual Report on the Performance of the Massachusetts Health Care System in September 2014. Payers are grouped as either Massachusetts-based or national. Within each category, payers are listed in order of decreasing commercial market share. Market share is defined according to share of total statewide commercial member months. Proportions may not sum to 100% due to rounding.

Adoption of APMs in the MassHealth MCO market grew by about seven percentage points in 2013

Figure 3. Adoption of APMs in the MassHealth MCO Market, 2012-2013

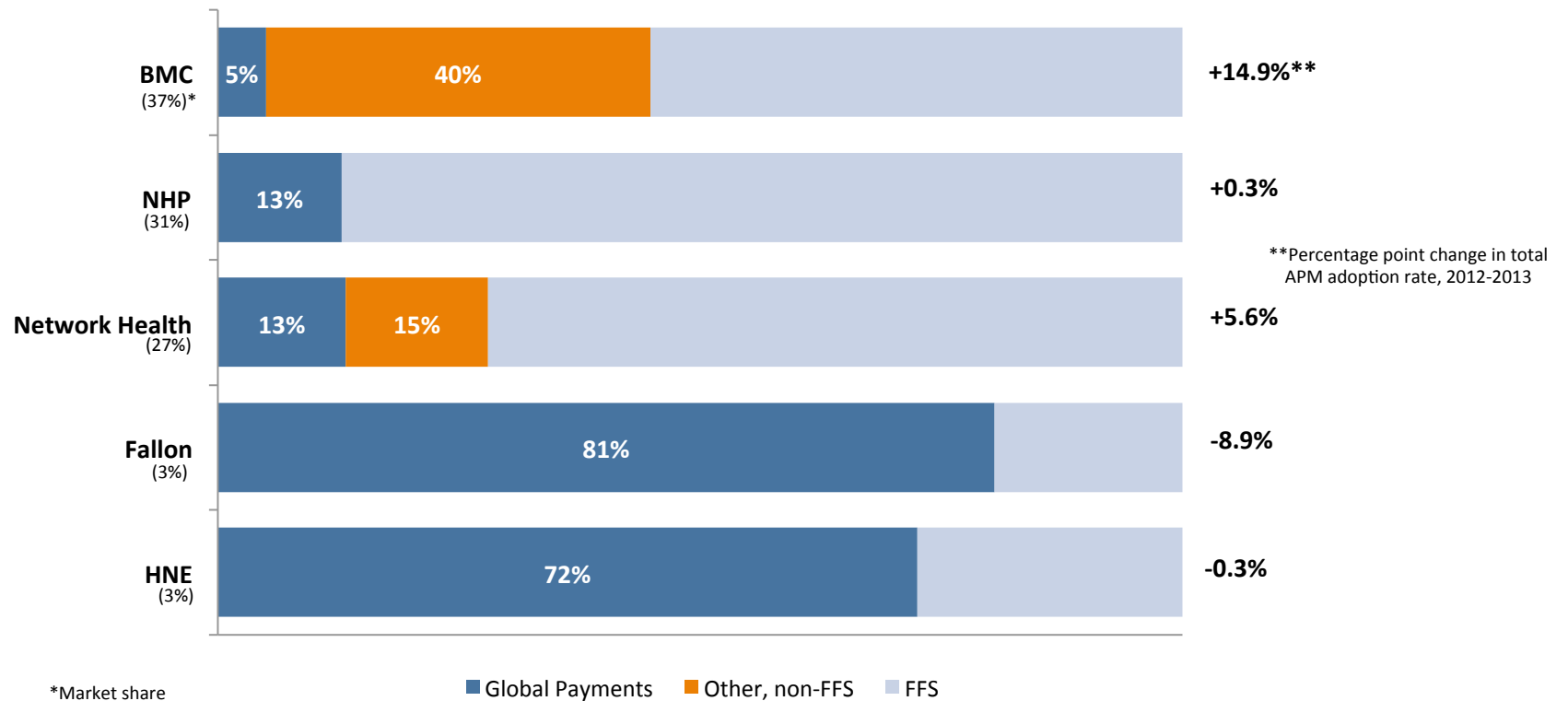


Source: Payer-reported APM data to CHIA, CYs 2012 and 2013

Notes: APM adoption rates shown by payer-reported member months for MassHealth MCO members. Members attributed to the “Other, non-FFS” payment method were generally Patient-Centered Medical Home-affiliated members. MassHealth PCC members are not included here. MassHealth MCO payers did not report any use of Limited Budgets or Bundled Payments in 2012 or 2013. Please note that MassHealth MCO plans only reported HMO products. Proportions may not sum to 100% due to rounding.

All MassHealth MCO plans have adopted some type of APMs

Figure 4. Adoption of APMs by MassHealth MCOs, 2013

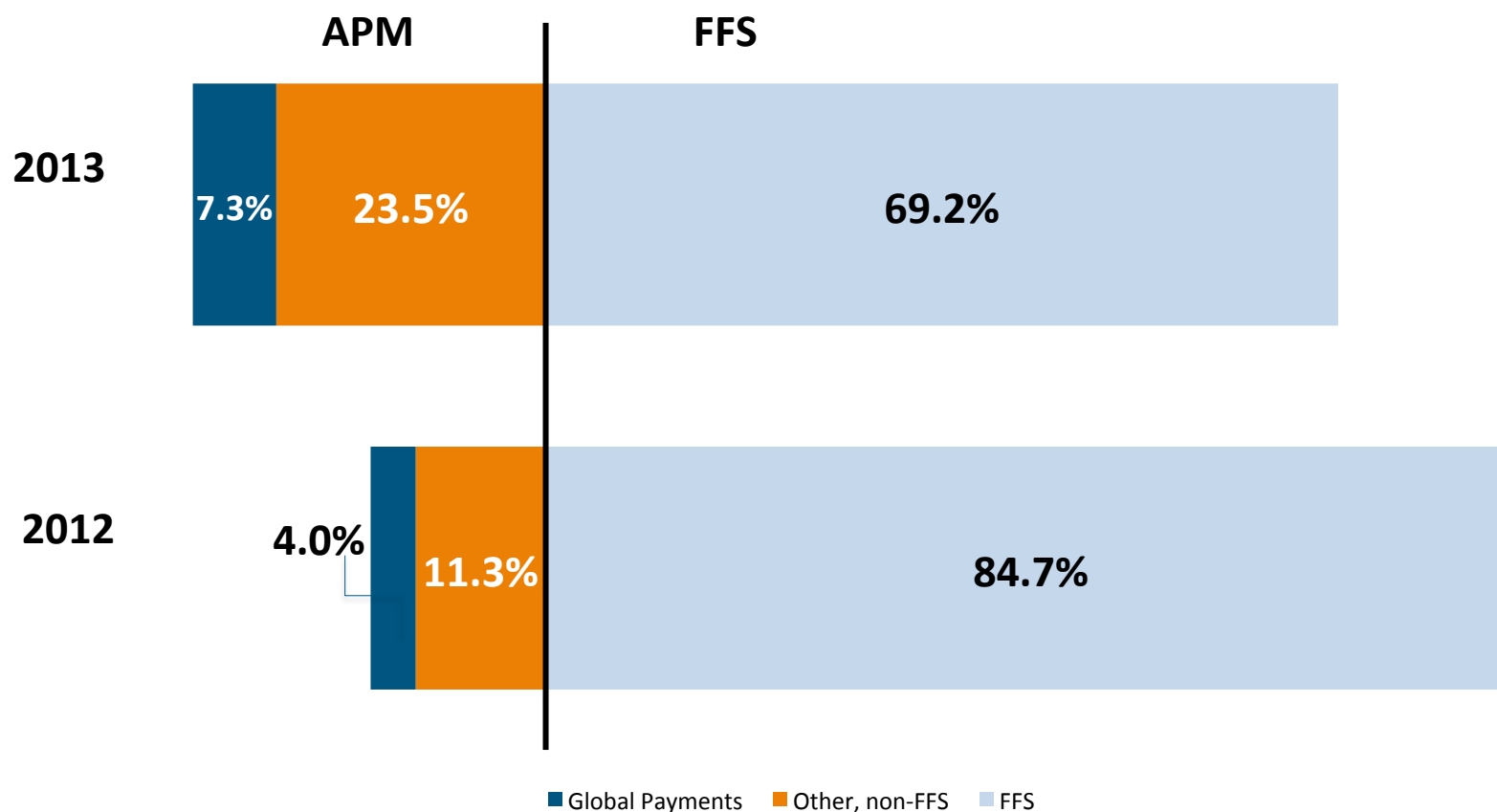


Source: Payer-reported APM data to CHIA, CYs 2012 and 2013

Notes: APM adoption rates shown by payer-reported member months for MassHealth MCO members. Members attributed to the "Other, non-FFS" payment method were generally Patient-Centered Medical Home-affiliated members. MassHealth MCO payers did not report any use of Limited Budgets or Bundled Payments in 2012 or 2013. MassHealth PCC members are not included here. Payers are listed in order of 2013 MassHealth MCO market share. Market share is defined according to share of total statewide MassHealth MCO member months. Proportions may not sum to 100% due to rounding.

Adoption of APMs in the Commonwealth Care market grew by about 16 percentage points in 2013

Figure 5. Adoption of APMs in the Commonwealth Care Market, 2012-2013

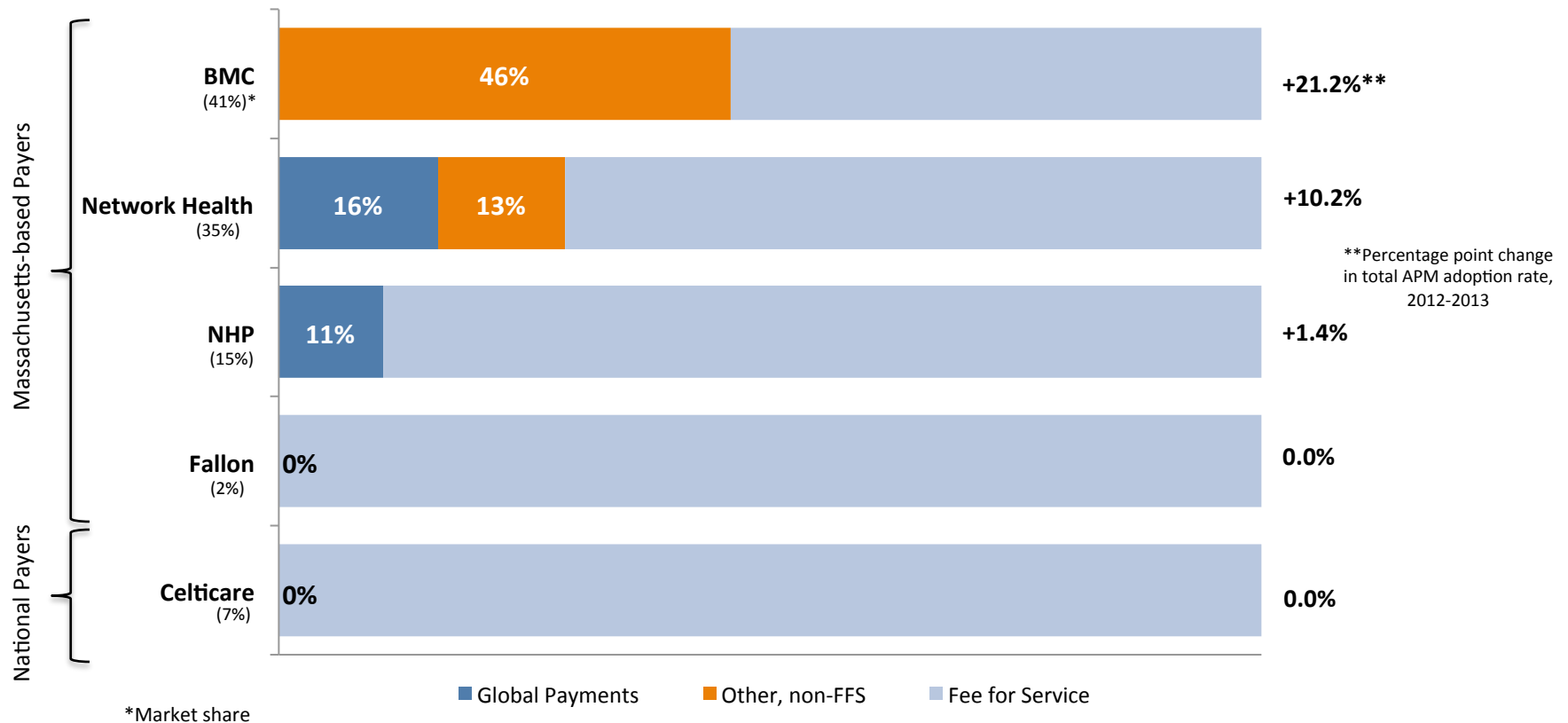


Source: Payer-reported APM data to CHIA, CYs 2012 and 2013

Notes: APM adoption rates shown by payer-reported member months for Commonwealth Care members. Commonwealth Care payers did not report any use of Limited Budgets or Bundled Payments in 2012 or 2013. Please note that Commonwealth Care plans only reported HMO products. Proportions may not sum to 100% due to rounding.

Only three of the five Commonwealth Care MCOs have adopted APMs

Figure 6. Adoption of APMs by Commonwealth Care MCOs, 2013

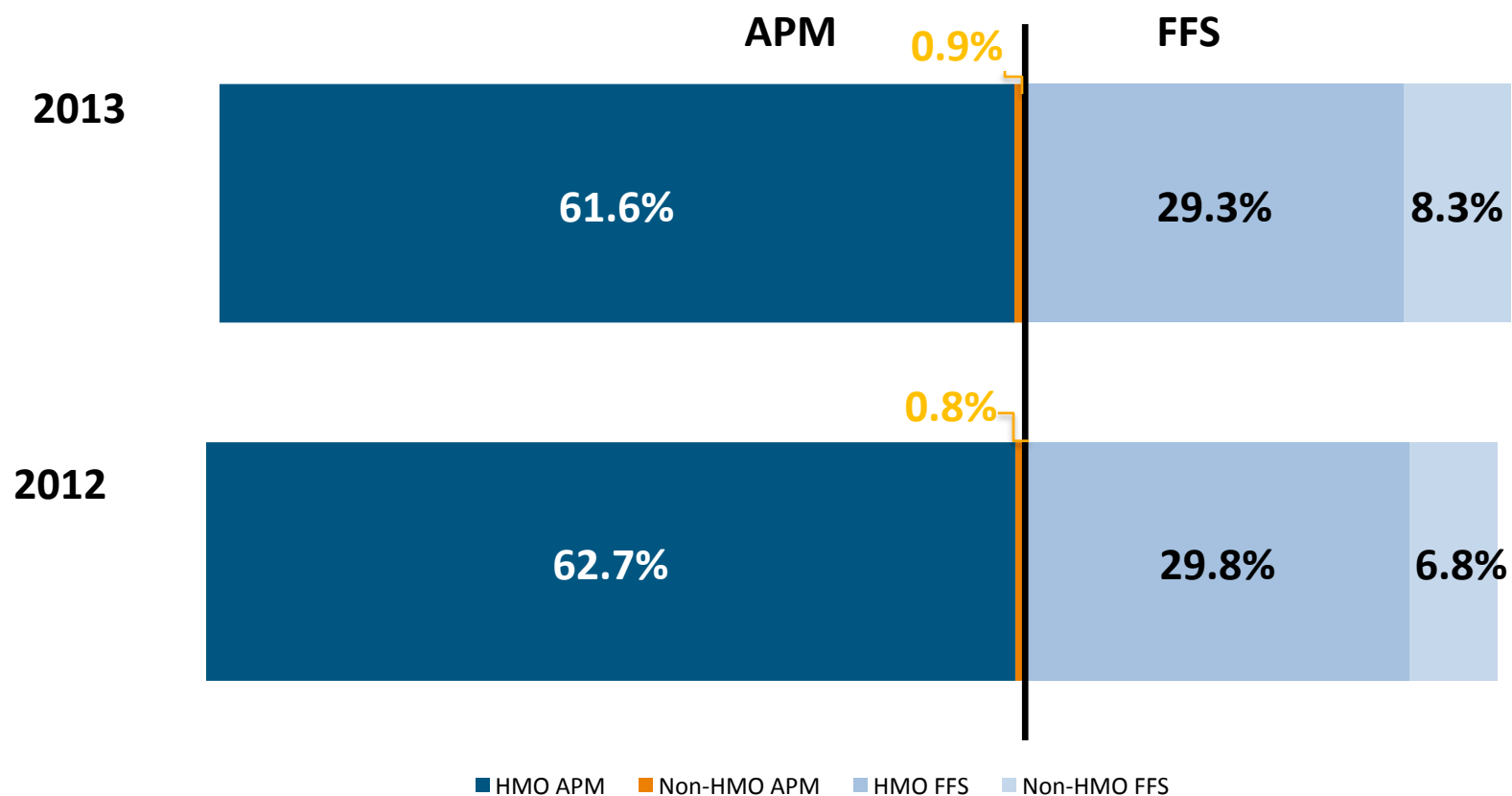


Source: Payer-reported APM data to CHIA, CYs 2012 and 2013

Notes: APM adoption rates shown by payer-reported member months for Commonwealth Care members. Commonwealth Care payers did not report any use of Limited Budgets or Bundled Payments in 2012 or 2013. Payers are grouped as either Massachusetts-based or national. Within each category, payers are listed in order of decreasing Commonwealth Care market share. Market share is defined according to share of total statewide Commonwealth Care member months. Proportions may not sum to 100% due to rounding.

Adoption of APMs in the Medicare Advantage market remained stable from 2012 to 2013

Figure 7. Adoption of APMs in the Medicare Advantage Market, 2012-2013

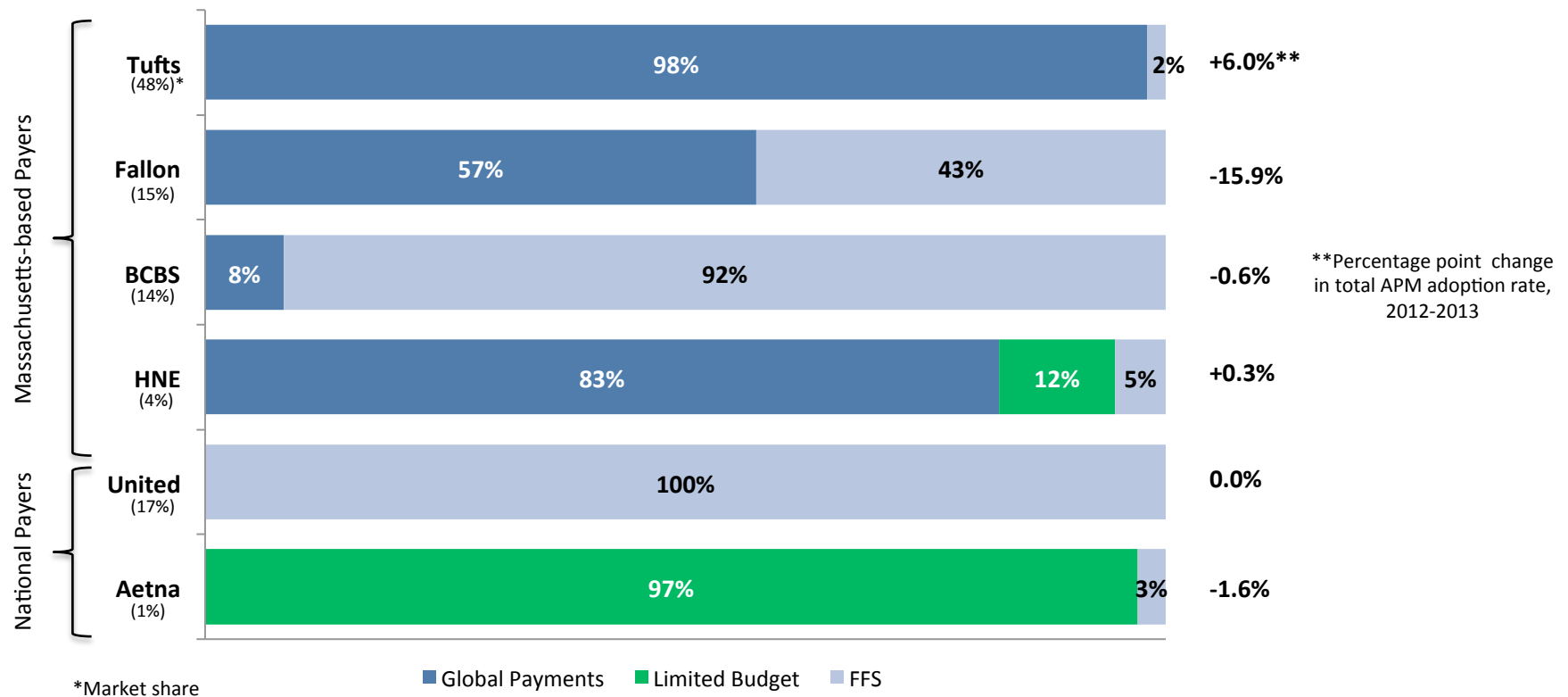


Source: Payer-reported APM data to CHIA, CYs 2012 and 2013

Notes: APM adoption rates shown by payer-reported member months for Medicare Advantage members. Medicare Advantage payers did not report any use of Bundled Payments or "Other, non-FFS" payment methods in 2012 or 2013. Proportions may not sum to 100% due to rounding.

Most payers have adopted APMs in the Medicare Advantage market

Figure 8. Adoption of APMs among Medicare Advantage Plans, 2013

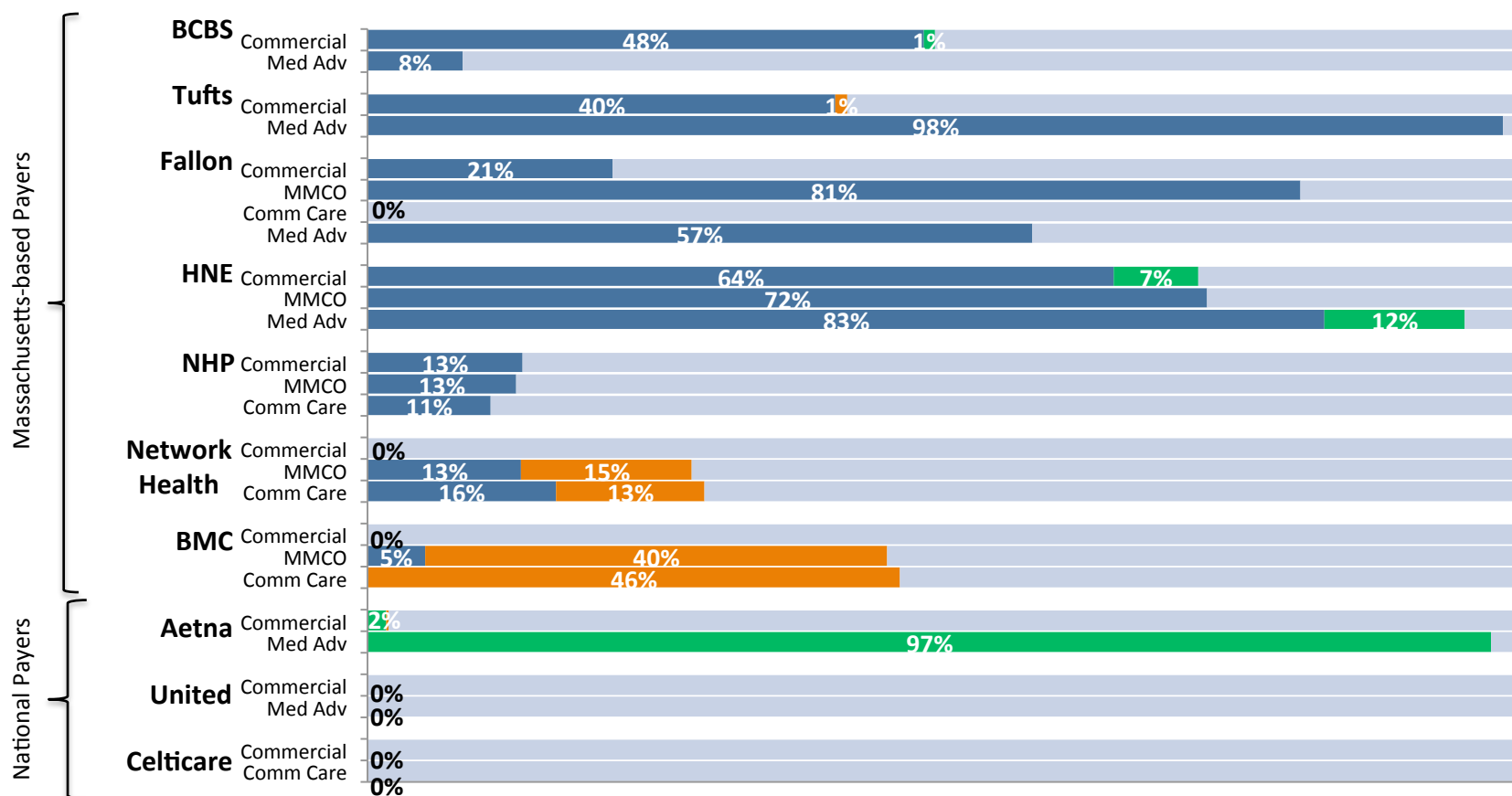


Source: Payer-reported APM data to CHIA, CYs 2012 and 2013

Notes: APM adoption rates shown by payer-reported member months for Medicare Advantage members. Medicare Advantage payers did not report any use of Bundled Payments or "Other, non-FFS" payment methods in 2012 or 2013. Payers are grouped as either Massachusetts-based or national. Within each category, payers are listed in order of decreasing Medicare Advantage market share. Market share is defined according to share of total statewide Medicare Advantage member months. Proportions may not sum to 100% due to rounding.

The adoption of APMs varied across insurance categories offered by the same payer

Figure 9. Adoption of APMs across Insurance Categories by Payer, 2013



Abbreviations:

MMCO: MassHealth MCO

Comm Care: Commonwealth Care

Med Adv: Medicare Advantage

Source: Payer-reported APM data to CHIA, CYs 2012 and 2013

Notes: APM adoption rates shown by payer-reported member months. Only payers offering products in more than one insurance category are included here. Payers are grouped as either Massachusetts-based or national. Within each category, payers are listed in order of decreasing commercial market share. Market share is defined according to share of total statewide commercial member months. Proportions may not sum to 100% due to rounding.